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Congress of the United States  
House of Representatives  
Washington, DC 20515

COMMITTEE ON HOMELAND SECURITY  
SUBCOMMITTEES:  
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COMMITTEE ON  
VETERANS' AFFAIRS  
SUBCOMMITTEES:  
HEALTH  
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April 24, 2020

Andrew Cecere  
Chief Executive Officer  
U.S. Bank  
800 Nicollet Mall  
Minneapolis, MN 55402

Charles W. Scharf  
Chief Executive Officer  
Wells Fargo Bank, N.A.  
420 Montgomery Street  
San Francisco, CA 94104

Jamie Dimon  
Chief Executive Officer  
JPMorgan Chase Bank, N.A.  
1111 Polaris Parkway  
Columbus, OH 43240

Brian Moynihan  
Chief Executive Officer  
Bank of America, N.A.  
100 North Tryon Street  
Charlotte, NC 28255

Mr. Cecere, Mr. Dimon, Mr. Scharf, and Mr. Moynihan,

In light of funds being appropriated to support the Paycheck Protection Program (PPP), one of the few lifelines for our small business community, I urge you to work with the truly small and underserved business clients that apply for this program through your institutions, and to cease any prioritization of the wealthiest and largest companies. Our American businesses suffering due to COVID-19 depend on it.

On April 3, 2020, when the Small Business Administration (SBA) issued their Interim Final Rule on PPP, small businesses like those in my district on Staten Island and in South Brooklyn readied to submit their applications through your institutions' online portals--and they relied on the guidance that these applications would be processed first-come, first-served. As you know, in the coming weeks thousands of small businesses were only met with news reports of corporations being approved for the program, with any progress on their PPP applications stalled. Based on reporting, it is clear that the spirit of the program was not adhered to, as large companies were moved to the head of the line before small businesses. Publicly traded companies with other sources of credit access were approved for PPP loans to the tune of more than \$330 million, with loans averaging \$4 million each, and one recipient reported to be in a merger with another public company valued at \$4 billion. This is a slap in the face to the backbone of our economy, the small businesses whose PPP loan range would be closer to

\$50,000-\$100,000, and who were then left with nothing after these funds on April 16 ran dry. Using the regulatory flexibility at your disposal, in this next allocation of funds, it is imperative that this access to capital go to those who truly need it. It is clear that large companies like Shake Shack, Ruth's Chris Steak House, and the hundreds of biotech, pharmaceutical, and energy companies who received a windfall from PPP are not in this category.

Even where there is a lack in oversight, I urge you to make the right decision for your smallest of application clients. The buck does not stop with your lending institutions alone--while the Congress is the steward of these funds, SBA and the Department of the Treasury through rulemaking assert their implementation standards. Only yesterday, on April 23, did the SBA issue guidance indicating that, of borrowers certifying that their PPP loan is necessary, "it is unlikely that a public company with substantial market value and access to capital markets will be able to make the required certification in good faith." While this language is a good first step, it would not stop large public companies from applying for PPP loans through your lending institutions, and it does not stop SBA from approving these loans. But in this economic crisis caused by a global pandemic, it is abhorrent to stretch each letter of the law to deny the smallest businesses relief, and to reward multi-billion dollar companies who simply do not need this funding. Our community centers are suffering, our mental health clinics are suffering, and our smallest family-run restaurants are suffering.

When this crisis is over, I sincerely hope that your institutions are known as helpers, as vehicles for much-needed capital to flow to our nation's needy. That is the task that Congress has placed before you, and it is one of the most important in recent memory. In doing so, you must be transparent with the public, and clearly execute the Congressional intent of this program designed to help small businesses, not corporations with billions in assets. Our economy depends on it, and the American people depend on it.

Sincerely,

A handwritten signature in black ink, appearing to read "Max Rose", followed by a horizontal line.

Max Rose  
Member of Congress

Cc: Small Business Administration Administrator Jovita Carranza